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Puerto Rico Rebound Lures Mutual Funds Back to Island's Bonds.

- **Pimco, AllianceBernstein have boosted holdings since hurricane**
- **Once big buyers, mutual funds sold when fiscal crisis worsened**

Traditional bond buyers are going back to Puerto Rico.

After shunning the U.S. territory for much of the past six years, municipal-bond mutual funds are again buying the government's debt as it recovers from the 2017 hurricane and inches closer to winning a potential court approval to restructure more than \$17 billion of sales-tax-backed debt, a major step in its record-setting bankruptcy.

Pacific Investment Management Co. held about \$506 million of commonwealth securities as of Sept. 30, nearly 10 times the \$52 million held the month before Hurricane Maria, according to data compiled by Bloomberg. AllianceBernstein LP increased its exposure to \$347 million, as of Nov. 30, up from \$53 million in August 2017. Capital Group and Massachusetts Financial Services Co. increased their exposure by nearly 50 percent.

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